

VZCZCXYZ0000  
RR RUEHWEB

DE RUEHCH #0151 0451221  
ZNR UUUUU ZZH  
R 141221Z FEB 08  
FM AMEMBASSY CHISINAU  
TO RUEHC/SECSTATE WASHDC 6271  
INFO RUEHKV/AMEMBASSY KYIV 0590  
RUEHBM/AMEMBASSY BUCHAREST 4280

UNCLAS CHISINAU 000151

SIPDIS

SIPDIS

SENSITIVE

STATE FOR EUR/UMB

E.O. 12958: N/A

TAGS: [ECON](#) [ETRD](#) [EWWT](#) [PGOV](#) [MD](#)

SUBJECT: MOLDOVA: TROUBLE ON THE DANUBE

¶1. (SBU) SUMMARY: Progress at the port of Giurgiulesti, Moldova's sole access to the Danube River, continues with the construction of additional berths for unloading bulk cargo and grains, and a grain storage facility. In 2007, the port's oil terminal opened, receiving the first shipment of gasoline and diesel on September 12. Future plans call for the development of an industrial park with free economic zone status and an ethanol plant. The Moldovan government (GOM) recently announced that it would build a passenger terminal at the port. Although the port is of strategic importance to Moldova, the foreign firm developing the port continues to complain about governmental interference. END SUMMARY.

¶2. (SBU) Econoff recently met with Thomas Moser, Country Manager of EASEUR Holding B.V., the developer and operator of the port. Moser said construction at the port was progressing, but complained about bureaucratic interference. When asked about future shipments of oil products, Moser said delays in the construction of the company's own network of gas stations had forced the suspension of imports. He noted that only three out of the six gas stations built had received permits to operate, and an additional station's construction was suspended indefinitely. Moser blamed governmental interference, obsolete building standards and regulations, corruption and interference from competitors for the delays.

¶3. (SBU) Moser was very concerned that the tone in Chisinau had changed. He explained that previously he would call on the Minister of Economy and the Prime Minister to resolve issues involving governmental interference and the issues would be addressed in a reasonable manner. However, based on a recent letter from a presidential economic advisor complaining about the lack of progress at the port, Moser was worried that oversight of the port had moved to the President's Office. He also believed that his competitors from Russia and Romania (but especially Lukoil) were interested in the port's oil terminal. He thought Lukoil wanted to prevent construction of the ethanol plant, which would conflict with Lukoil's plans to build a similar plant.

¶4. (SBU) Moser also noted that he had ceded 0.5 hectares of frontage land on the Danube River to the GOM, which the government claimed it needed for national security reasons. However, recently Prime Minister Tarlev announced that a state-owned company would build a passenger terminal on the land, which would be operational by mid-2008. Moser believed the reason for the government's obtaining the land was to facilitate travel for Moldovan citizens to Bulgaria and on to the EU (bypassing Romania). However, speculation continues about the urgency and necessity of this project.

¶5. (SBU) COMMENT: The case of EASEUR Holding and the port of Giurgiulesti highlights the challenges of doing business in Moldova. Moser is concerned that oversight of the port has moved to the Presidency; he fears that the higher-level oversight will result in his company's being squeezed out of the investment. Moser worries that his Russian and Romanian competitors are colluding against him

with the support of some elements of the GOM. With an American investor (with OPIC financing) building the port's grain terminal and storage facility, we'll continue to monitor the situation, engaging with the GOM if moves are made to take or alter property rights at the port. END COMMENT.

Kirby